

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7366

BILL NUMBER: SB 524

NOTE PREPARED: Jan 21, 2015

BILL AMENDED:

SUBJECT: Tax deeds and conveyance documents.

FIRST AUTHOR: Sen. Zakas

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *County Auditor:* This bill provides that when a county auditor sends out certain notices for a tax sale by certified mail, the notices must be sent by certified mail, return receipt requested.

Tax Sale Deeds: The bill requires that a verified petition for a tax deed to real property acquired in a tax sale must include copies of various notices sent by the petitioner, copies of certified mail receipts, copies of certified mail return receipts, and evidence used by the petitioner to ascertain the owner of property and any other persons with a substantial property interest of public record in the property. It provides that a tax deed is not prima facie evidence of the validity of a tax sale, if the petitioner for the tax deed fails to include with the petition the copies of notices, copies of mailing receipts, and copies or descriptions of the evidence used to ascertain the owner and other persons having a substantial property interest of public record in the property.

Mortgage Recording: This bill provides that a mortgage that does not comply with certain filing requirements is validly recorded, regardless of when the mortgage is recorded.

Effective Date: July 1, 2015.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *County Auditor:* This bill will increase expenditures for county auditors by an indeterminate amount. Currently, county auditors must send the following items by certified

mail:

Copies of tax sale lists to mortgagees who them;
Notice of application for judgement and order for sale to owners of tax sale property; and
Notice that the county has acquired title to real property to any resident of, or business on the property.

Adding return receipt service from the US Postal Service costs \$2.70 per piece if the receipt is returned by regular mail, or \$1.35 per piece if it is returned electronically.

Tax Sale Deeds: This provision could add to the administrative burden of county officials who file petitions for tax deeds. Under current law, the purchaser, assignee, county executive, or in some cases the county auditor, may file a petition with the court to issue a tax deed for property sold at tax sale and not redeemed. This provision requires that the petition must include copies of all required notices and receipts, and other evidence used to identify the property owner or those with interest in the property. If the petitioner is not already including all of the required copies, then the petitioner will have added burden and additional costs for copies.

Mortgage Recording: This provision has no fiscal impact.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County auditor; County executive.

Information Sources: USPS.gov.

Fiscal Analyst: Bob Sigalow, 317-232-9859.